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C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 000187

SIPDIS

E.O. 12958: DECL: 02/17/2020

TAGS: [PGOV](#) [PREL](#) [IR](#) [AF](#) [GM](#)

SUBJECT: FDP SQUISHINESS ON IRAN SANCTIONS AND TFTP

REF: BERLIN 184

Classified By: Political Minister-Counselor George Glass for reasons 1.  
4 (b,d).

¶1. (C) The Ambassador hosted lunch on February 8 for Free Democratic Party (FDP) Bundestag members to discuss party politics (see reftel) and foreign policy. The FDP has plummeted dramatically (50%) in the polls and Foreign Minister Guido Westerwelle (FDP) has been unable to leverage the MFA as a base from which to arrest the free fall. The major foreign policy issues -- with the possible exception of Afghanistan -- draw little public interest to drive politics. The FDP, therefore, has not visibly benefited from having its party chair as foreign minister. To the extent possible, Westerwelle has sought continuity in foreign policy and to cash in on his protocol status as vice chancellor and FM. He and his party continue to take credit for their role in drafting the German government's new Afghanistan strategy though they reportedly opposed any more troops. On the possibility of implementing a tougher sanctions regime against Iran, the FDP is supportive -- following Westerwelle's lead -- but remains privately skeptical as to their effectiveness and continues to complain about the effects sanctions will have on German business. The FDP remains unconvinced by the merits of the Terrorist Finance Tracking Program (TFTP), citing its dubious effectiveness and expressing fear that financial data could be used for industrial espionage against German companies. END SUMMARY.

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Afghanistan  
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¶2. (C) The group included the FDP's Foreign Policy Spokesman, Rainer Stinner, Defense Policy Spokesperson Elke Hoff, and the MFA Deputy Director of Policy Planning, Robert von Rimscha (Note: von Rimscha is a close confidant of Westerwelle and former FDP Spokesperson. End note.). The Ambassador sought views on Afghanistan, Iran and the Terrorist Finance Tracking Program (TFTP). On Afghanistan, Stinner said it was not clear whether the SPD would support the government's new proposed troop increase of 500. He said it would depend on whether SPD Chair Gabriel or Caucus Leader Steinmeier had his way. While Gabriel was negative about any troop increase, Stinner thought Steinmeier would have a difficult time opposing the new proposed ISAF mandate, given that it was largely in line with what he had supported as foreign minister. But even if the SPD caucus followed Steinmeier this time around, Stinner guessed that his time for "having the say" as caucus chair would "expire soon." (Note: according to a February 16 press report, SPD "circles" indicate that some 100 out of 146 SPD Bundestag members would support the government's new Afghanistan mandate. End note.). FDP parliamentarian and human rights spokesperson Marina Schuster assessed that the Greens would not support the mandate. (Note: Since the introduction of German Tornado reconnaissance aircraft in 2007, which many Greens saw as an unacceptable militarization of the mission, a majority of Greens have either opposed the mandate or abstained from

voting. End Note.) Hoff argued that it was important to start emphasizing "success" when discussing our objectives in Afghanistan.

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Squishy on Iran Sanctions?  
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¶3. (C) On Iran, Hoff described Iranian Foreign Minister Mottaki's performance at the Munich Security Conference (MSC) as "scandalous." Von Rimscha also voiced his disappointment over Mottaki's contribution. On the implementation of additional sanctions, Stinner admitted that the FDP was "more reluctant" than the CDU. He noted that the utility of sanctions was in doubt as long as China seemed unlikely to support them. He also highlighted Japan as "officially" in favor, but acting differently "behind the scenes." He conceded that in the end, if China refused to cooperate, Germany would "go along with the West" in supporting and implementing new sanctions. But he and Hoff were concerned over their application and the potential impact -- if any -- they would have on Iran's political leadership. Stinner and Hoff seemed particularly concerned by the potential impact sanctions would have on German business interests in Iran. Hoff even raised the notion of compensation for German firms, although she did not specify who would be liable to pay for compensation. Rimscha raised the question of ongoing U.S. investments in Iran via holding companies in Dubai to which the Ambassador requested any evidence of U.S. investments in Iran which violate U.S. or UN sanctions, since we would prosecute companies involved.

BERLIN 00000187 002 OF 002

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TFTP skeptics  
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¶4. (C) Rimscha, Stinner and Hoff voiced their strong misgivings about the TFTP. Citing their worries about the program's effectiveness and concerns that financial data might be used for industrial espionage purposes, they championed the FDP's role as a guarantor of individual liberties and data privacy. Stinner in particular regretted the apparent change in U.S. approach to these issues since 9/11. They were also concerned that disgruntled employees might try to sell data for economic gain to third parties. On the other hand, they were amenable to having the opportunity to have more discussions with the U.S. about the program's use, especially in the European Parliament. Rimscha was surprised to learn, for example, that TFTP information had directly contributed to the successful prevention of attacks and prosecution of would-be terrorists. Hoff and Stinner made very clear that the FDP would be more supportive of the TFTP if they could receive assurances that the financial data collected would not be used for economic purposes.

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Comment  
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¶5. (C) COMMENT: FM Westerwelle has been very vocal in his support for additional Iran sanctions as has Chancellor Merkel who declared her "zero tolerance" for a nuclear armed Iran during her speech to the U.S. Congress in November 2009. As recently as February 16, Westerwelle publicly threatened Iran with tougher sanctions if Iran "does not abide by its international commitments." The skeptical comments of his parliamentary party members with respect to Iran sanctions are however interesting glimpses into the difficult job Westerwelle and Merkel have in selling their support for additional sanctions at home. So far all signs indicate that Merkel and Westerwelle, who in the end will be the decision makers on Iran sanctions, are committed to their policy of support for additional sanctions (which they would prefer to

see in the UNSC, but have also publicly voiced support for  
like-minded measures.) END COMMENT.  
Delawie